

# PERS EMPLOYER ADVISORY GROUP MEETING

NOTES

DATE: 01/20/2017 TIME: 10:00AM-11:50PM

PERS HEADQUARTERS

<b>TYPE OF MEETING</b>	PERS EMPLOYER ADVISORY GROUP MEETING
<b>FACILITATOR</b>	Sam Paris
<b>NOTE TAKER</b>	Katie Brogan
<b>CALL IN NUMBER</b>	(877)411-9748; participant code: 510922
<b>ATTENDEES</b>	<p><b>Present:</b> Jeff White, Marion County; Nancy Brewer, City of Covallis; Celia Heron, City of Portland; Rich McDonald, Chemeketa Community College; Claire Havener, Tualatin Valley Fire &amp; Rescue; Shauna Tobiasson, Department of Administrative Services; Donna Chastain, Oregon State University; Dave Henderson, Linn-Benton Community College</p> <p><b>PERS:</b> Steve Rodeman; Yvette Elledge-Rhodes; Sam Paris; Dean Carson; Marjorie Taylor; Brandon Armatas; Aaron Johnson; Katie Brogan</p> <p><b>Guests:</b> Jennifer Cooperman, City of Portland; Wendy Santucci, Oregon State University; Sandra Montoya, City of Woodburn; Alice Chan, City of Medford</p> <p><b>Phone:</b> Rob Bovett, Association of Oregon Counties; Heather Mercer, Western Oregon University; Katie Saul, Hermiston School District</p>

**TIME: 10:00 – 10:02**

**TOPIC: WELCOME**

**SAM PARIS**

<b>PURPOSE/GOAL</b>	Roundtable Introductions.
Sam Paris welcomed everyone to the PERS Employer Advisory Group meeting.	

**TIME: 10:02 – 11:00**

**STRATEGIC PLAN UPDATE**

**YVETTE ELLEDGE-RHODES**

<b>PURPOSE/GOAL</b>	Update on the Strategic Plan progress.
<ul style="list-style-type: none"> <li> <b>Member Engagement &amp; Communications Director Introduction</b>            Yvette Elledge-Rhodes introduced the new Member Engagement and Communications Director, Dean Carson to the EAG. Dean started in November, his primary focus is on member engagement. He is new to PERS and welcomes the opportunity to work in public service.         </li> <li> <b>New Member Benefit Information</b>            One of Dean's goals is to simplify information so members know what they need to retire. He shared a sample of a brochure that employers could give to new employees. The EAG provided positive feedback on the usefulness of this resource and made suggestions to improve it.         </li> </ul> <p>Dean requested that they share some information about what they are already providing members in order to help him better determine where PERS fits in. He would also like to connect with some of the EAG's Human Resource staff to work with as he develops these resources. Please email him at</p>	

[dean.carson@pers.state.or.us](mailto:dean.carson@pers.state.or.us)

- **Data Reliability**

Brandon Armatas and Aaron Johnson gave an update on the Data Reliability breakthrough and the work of the core team. Data Reliability is an initiative within the strategic plan. It is important in meeting the PERS mission of paying the right person the right benefit at the right time. There are a variety of reliability issues that have derailed trust in PERS' data. An internal recruitment was held for those interested in participating on the core team which resulted in a vested interest in the project. Brandon and Aaron shared a 3 month timeline of the project's next steps which include brainstorming, developing sub teams and work breakdowns. EAG members appreciated that PERS was addressing this known issue and are looking forward to seeing outcomes. There was discussion about the best ways for the core team to gather input from employers.

ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE

**TIME: 11:00 – 11:42**

**ACTUARIAL CONCEPTS DISCUSSION**

**STEVE RODEMAN**

**PURPOSE/GOAL**

Director Steve Rodeman answered questions on the following actuarial concepts.

**1. Implement rate increases much sooner after the actuarial study was done (i.e., 12/31/15 review for 7/1/16 implementation). The current 18 month lag between actuarial review and new rate implementation exacerbates the long-term issue.**

Steve explained the actuarial study timing and that changes can occur during this lag. The system's funded status changes due to the performance of the investments.

**2. Move to annual rate increases to defer less of the impact. The State is on a biennial budget, but we can estimate a COLA for increased costs for each year of the biennia, why not PERS rates?**

This is related to the lag between the actuarial study and when the PERS board sets the employer rates. Some employers set aside funds when there have been decreases in rates or when they expected the rates in upcoming cycles to increase.

**3. Allow employers to contribute more than the actuarially determined rate. A lot of us may have been projecting July 1, 2017 rates higher than actuals. Is there a way an employer could contribute the higher amount without making a "lump sum" payment to benefit my longer-term rates?**

The side accounts were created as a way for the individual employer to accomplish this. There are specific dollar minimums. More information will be provided to the EAG regarding side accounts; what the current minimum is, what laws and/or rules are impacted, would it be possible to change the limit?

**4. Move to eliminate the collar and see what the system looks like if we set the rates necessary to fund the system. Milliman's projections show that we are in a "pay me now or pay me more later" situation, so does short-term pain lead to a better long-term solution.**

EAG would like to see a model of what annual rate changes would look like. The group would like to look

at other rate structure models and more focus regarding different payment options for the 2019-2021 biennium.

ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
Side Account Information	Sam Paris	2/28/2017

**TIME: 11:42 – 11:47      OPSRP CONTRIBUTION START DATE CLEANUP      SAM PARIS**

PURPOSE/GOAL	Provide an update on the cleanup project.	
<p>In November, the PERS Board decided contingency reserves would be used to fund the costs associated with correcting the Contribution Start Date (CSD) for members. An implementation team of subject matter experts has been assembled and PERS has started the process of dividing the effected group further. Active members with benefits pending will be addressed first. A database to organize the workload and a timeline for the process are being developed.</p>		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE

**TIME: 11:47 – 11:50      ADDITIONAL ITEMS      SAM PARIS**

PURPOSE/GOAL	Open discussion.	
<p>Steve provided an update on the IAP Target Date Funds proposal. He explained that the next steps would happen at OIC. The treasury staff will be asking to meet with a consultant. They are targeting 1/1/18 start date.</p> <p>Marjorie Taylor outlined some of the bills that she is tracking. She noted SB 559 and SB 560 as ones the employers may be interested in looking at.</p> <p>Steve communicated that an agenda item for the PERS Board is that the contingency reserve is currently overfunded. We will be asking for stakeholder input for a recommendation for the April 3, 2017 PERS Board meeting.</p>		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE

<b>Next Meeting Facilitator:</b> Sam Paris
<b>Next Meeting Date/ Time:</b> April 21, 2017 10:00 AM – 12:00 PM